

Senate Bill 241

By: Senator Hill of the 32nd

A BILL TO BE ENTITLED
AN ACT

To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to comprehensively revise the laws of Georgia concerning the provision of health insurance; to provide that preferred provider arrangements shall not have differences in coinsurance percentages applicable to benefit levels for services provided by preferred and nonpreferred providers which differ by more than 40 percentage points; to provide that preferred provider arrangements shall not have a coinsurance percentage applicable to benefit levels for services provided by nonpreferred providers which exceeds 50 percent of the benefit levels under the policy for such services; to provide that an insured under a group accident and sickness policy may include dependents up to age 25 or until two years after ceasing to be a dependent, whichever is earlier; to provide that employers who employ persons who also work for other employers may enter into arrangements to contribute to the employees' health care coverage under such other employers; to provide for the promulgation of rules and regulations; to authorize selected out-of-state insurers to offer health insurance plans in Georgia; to provide for certain notices; to authorize the Commissioner of Insurance to adopt certain rules and regulations; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by revising subsection (b) of Code Section 33-30-23, relating to standards for preferred provider arrangements, as follows:

"(b) Such arrangements shall not:

- (1) Unfairly deny health benefits for medically necessary covered services;
- (2) Have differences in benefit levels payable to preferred providers compared to other providers which unfairly deny benefits for covered services;

(3) Have differences in coinsurance percentages applicable to benefit levels for services provided by preferred and nonpreferred providers which differ by more than ~~30~~ 40 percentage points;

(4) Have a coinsurance percentage applicable to benefit levels for services provided by nonpreferred providers which exceeds ~~40~~ 50 percent of the benefit levels under the policy for such services;

(5) Have an adverse effect on the availability or the quality of services; and

(6) Be a result of a negotiation with a primary care physician to become a preferred provider unless that physician shall be furnished, beginning on and after January 1, 2001, with a schedule showing common office based fees payable for services under that arrangement."

SECTION 2.

Said title is further amended by revising paragraph (4) of Code Section 33-30-4, relating to required provisions of group accident and sickness policies generally, as follows:

"(4) A provision that, with respect to termination of benefits for, or coverage of, any person who is a dependent child of an insured, the child shall continue to be insured up to and including age 25 or until two years after such child's status as a dependent ends, whichever is earlier, so long as the coverage of the member continues in effect; and the child remains a dependent of the insured parent or guardian, ~~and the child, in each calendar year since reaching any age specified for termination of benefits as a dependent, has been enrolled for five calendar months or more as a full-time student at a postsecondary institution of higher learning or, if not so enrolled, would have been eligible to be so enrolled and was prevented from being so enrolled due to illness or injury.~~ This paragraph shall not apply to group policies under which an employer provides coverage for dependents of its employees and pays the entire cost of the coverage without any charge to the employee or dependents; and".

SECTION 3.

Said title is further amended by revising paragraph (8) of subsection (b) of Code Section 33-30-6, relating to required provisions of blanket accident and sickness policies, as follows:

"(8) A provision that, with respect to termination of benefits for, or coverage of, any person who is a dependent child of an insured, the child shall continue to be insured up to and including age 25 or until two years after such child's status as a dependent ends, whichever is earlier, so long as the coverage of the insured parent or guardian continues in effect; and the child remains a dependent of the parent or guardian, ~~and the child, in each calendar year since reaching any age specified for termination of benefits as a~~

1 ~~dependent, has been enrolled for five months or more as a full-time student at a~~
2 ~~postsecondary institution of higher learning or, if not so enrolled, would have been~~
3 ~~eligible to be so enrolled and was prevented from being so enrolled due to illness or~~
4 ~~injury."~~

5 **SECTION 4.**

6 Said title is further amended by adding a new Code Section 33-30-16 to read as follows:

7 "33-30-16.

8 (a) Employers who employ persons who are also employed by other employers shall be
9 authorized to enter into arrangements with such other employers to provide group health
10 insurance coverage for such employees by contributing to the cost of such health care
11 insurance provided by such other employers.

12 (b) The commissioner shall promulgate such rules and regulations as necessary to regulate
13 and enable such contributions to group health care insurance coverage by additional
14 employers of an insured."

15 **SECTION 5.**

16 Said title is further amended by adding a new Chapter 62 to read as follows:

17 "CHAPTER 62

18 33-62-1.

19 The General Assembly recognizes the need for individuals, employers, and other
20 purchasers of health insurance coverage in this state to have the opportunity to choose
21 health insurance plans that are more affordable and flexible than existing market policies
22 offering accident and sickness insurance coverage. Therefore, the General Assembly seeks
23 to increase the availability of health insurance coverage by allowing insurers authorized to
24 engage in the business of insurance in this state who are also authorized to engage in the
25 business of insurance in selected other states to issue accident and sickness policies in
26 Georgia.

27 33-62-2.

28 An insurer who is authorized to engage in the business of insurance in this state who is also
29 authorized to engage in the business of insurance in other states may offer to Georgia
30 residents those policies offered by the insurer in other states, provided that the policies are
31 approved by the Commissioner.

33-62-3.

(a) Each written application for participation in an out-of-state health benefit plan shall contain the following language in boldface type at the beginning of the document:

'This policy is primarily governed by the laws of (insert state where the master policy is filed); therefore, all of the rating laws applicable to policies filed in this state do not apply to this policy, which may result in increases in your premium at renewal that would not be permissible in a Georgia-approved policy. Any purchase of individual health insurance should be considered carefully since future medical conditions may make it impossible to qualify for another individual health policy. For information concerning individual health coverage under a Georgia-approved policy, please consult your insurance agent or the Georgia Department of Insurance.'

(b) Each out-of-state health benefit plan shall contain the following language in boldface type at the beginning of the document:

'The benefits of this policy providing your coverage are governed primarily by the laws of a state other than Georgia. While this health benefit plan may provide you a more affordable health insurance policy, it may also provide fewer health benefits than those normally included as state mandated health benefits in policies in Georgia. Please consult your insurance agent to determine which state mandated health benefits are excluded under this policy.'

33-62-4.

The Commissioner shall be authorized to conduct market conduct and solvency examinations of all insurers seeking to offer in this state the health benefit plans that such insurers offer in other states or who have been given approval to offer such health benefit plans. Such examinations shall be conducted in the same manner and under the same terms and conditions as for companies located in this state.

33-62-5.

The Commissioner shall adopt rules and regulations necessary to implement this chapter, including, but not limited to, determining which health benefit plans offered in other states by insurers authorized to offer plans in Georgia shall be offered in this state and determining the manner of approving the health benefit plans offered by such companies."

SECTION 6.

All laws and parts of laws in conflict with this Act are repealed.